

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 533 - HB 651

March 4, 2021

SUMMARY OF BILL: Changes how the net position of utility districts, water systems, and wastewater facilities are calculated for purposes of determining if such entities are considered financially distressed and subject to evaluation by the Utility Management Review Board (UMRB) or the Water and Wastewater Financing Board (WWFB).

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-82-401(g) and § 68-221-1010(a), in order to calculate the change in net position for such entities, their total revenues less all grants, capital contributions, and expenses are calculated without a reduction for any pension or other post-employment benefit standards.
- The proposed language would now no longer exclude pension or other post-employment benefit standards when calculating the net-position of the entity.
- If the entity has a negative change in net position for two consecutive years, such entity is subject to evaluation by the UMRB or WWFB, respectively.
- Any increase in the number of evaluations conducted by the UMRB and WWFB will be conducted utilizing existing staff and resources; therefore, any increase in state expenditures is considered not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed language is applicable to review of certain locally owned and operated utility districts and water or wastewater facilities and will therefore not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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